

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION OF NEW MEXICO
FOR THE PURPOSE OF CONSIDERING:

CASE NO. 8865 DE NOVO
Order No. R-8211-B

APPLICATION OF SANTA FE EXPLORATION COMPANY
FOR HARDSHIP GAS WELL CLASSIFICATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 19, 1986, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 16th day of July, 1986, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Santa Fe Exploration Company, seeks a determination that its Exxon State Com Well No. 1, located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 2, Township 20 South, Range 25 East, NMPM, Cemetery-Morrow Gas Pool, Eddy County, New Mexico, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

(3) This matter came on for hearing at 8:15 a.m. on April 2, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner and, pursuant to his hearing, Order No. R-8211 was issued on April 25, 1986, denying the application.

(4) On May 9, 1986, application for hearing De Novo and a Stay of Order No. R-8211 were made by Santa Fe Exploration Company; the matter was set for hearing before the Commission; and, Order No. R-8211-A was entered May 15, 1986, staying Order No. R-8211.

-2-

Case No. 8865 De Novo
Order No. R-8211-B

(5) The matter came on for hearing de novo on June 19, 1986.

(6) The evidence presented by the applicant was insufficient or inconclusive to show that formation damage, waste, or other harm has or would occur if the well were not granted a hardship classification.

(7) The applicant's request to grant the Exxon State Com Well No. 1 a hardship gas well classification should therefore be denied.

IT IS THEREFORE ORDERED THAT:

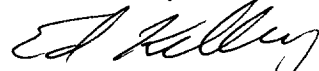
(1) The application of Santa Fe Exploration Company for a hardship gas well classification for its Exxon State Com Well No. 1 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 2, Township 20 South, Range 25 East, NMPM, Cemetery-Morrow Gas Pool, Eddy County, New Mexico, is hereby denied.


(2) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JIM BACA, Member


ED KELLEY, Member


R. L. STAMETS,
Chairman and Secretary

S E A L